IN THE CLAIMS:

Please cancel Claim 1 without prejudice or disclaimer of the subject matter presented therein and without conceding the correctness of its rejection. Please amend Claims 2, 3, 8 to 10, 12 and 13 as follows. A marked-up copy of the amended claims, showing the changes made thereto, is attached. Note that all claims currently pending in this application, including those not currently being amended, have been reproduced below for the Examiner's convenience.

1. Cancelled.

(Twice Amended) A method of manufacturing a two-dimensional phase element comprising the steps of:

forming a first etching mask in a checkered pattern on a substrate; and performing an etching process by using the first etching mask.

3. (Twice Amended) A method of manufacturing a two-dimensional phase element comprising the steps of:

forming a first etching mask in a checkered pattern on a substrate;

forming segments of multiple levels at a portion not covered by the first etching mask;

forming a second etching mask corresponding to an inversion of the first etching mask;

removing the first etching mask; and

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etching mask.

forming segments of multiple levels at a portion not covered by the second

4. (Unamended From Previous Version) A method according to Claim 2 or 3, wherein the first etching mask consists of chromium.

5. (Unamended From Previous Version) A method according to Claim 2 or 3, wherein the first etching mask consists of aluminum.

6. (Unamended From Previous Version) A method according to Claim 3, wherein the first etching mask consists of aluminum and wherein the second etching mask consists of chromium.

7. (Unamended From Previous Version) A method according to Claim 3, wherein the first etching mask consists of chromium and wherein the second etching mask consists of aluminum.

8. (Twice Amended) A method according to Claim 2 or 3, wherein the substrate comprises quartz.

9. (Twice Amended) A method according to Claim Yor 3, wherein a reticle having an optical proximity effect correcting pattern is used to form the first etching mask having a checkered pattern through photolithography.

10. (Twice Amended) A method according to Claim 1, wherein the etching process is carried out by use of the first etching mask and another etching mask which is formed by a resist.

11. (Unamended From Previous Version) A method according to Claim 2 or 3, further comprising the step of:

molding an element while using, as a mold, a substrate on which plural segments of multiple levels are formed.

12. (Twice Amended) A method according to Claim 2 or 3, wherein the method is usable to produce one of a phase computer generated hologram, a twodimensional binary structure, and a phase modulation plate.

13. (Twice Amended) An illumination system including a two-dimensional phase element manufactured in accordance with a method as recited in Claim 2 or 3.

14. (Unamended From Previous Version) A projection exposure apparatus N having an illumination system as recited in Claim 13.

15. (Unamended From Previous Version) A device manufacturing method ND comprising the steps of:

exposing a wafer to a device pattern using a projection exposure apparatus as recited in Claim 14; and